

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3094-01  
Bill No.: SJR 36  
Subject: Taxation and Revenue - Property; Taxation and Revenue - General; Constitutional Amendments; Property, Real and Personal  
Type: Original  
Date: February 4, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
General Revenue	(\$36,840)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$36,840)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Revenue** assume this proposal would have no impact on their organization, but may have an impact on total state revenues.

Officials from the **Office of the Secretary of State**, in response to a similar proposal, assumed that statewide newspaper publication of state statutes cost approximately \$1,228 per column inch based on an estimate provided by the Missouri Press Service. Since three printings are required by the constitution and state statute, the cost is  $\$1,228 \times 3 = \$3,684$  per column inch. The estimated total number of inches for this amendment is 10 inches including title header and certification paragraph, therefore the total estimated publication cost is  $\$3,684 \times 10 \text{ inches} = \$36,840$ . These costs are subject to change.

#### **ASSUMPTION** (continued)

Officials from the **State Tax Commission (TAX)** assume this proposal would have no impact on their organization. If this resolution is approved by Missouri voters, beginning January 1, 2005

livestock and grain will be exempt from personal property taxes. There would be an impact to the local political subdivisions from a reduction of operating revenue currently being collected.

TAX stated the 2003 assessed valuation for livestock is \$165,950,606 and the assessed valuation for grain is \$1,392,140. For the purposes of this fiscal note TAX assumes that this figure will be somewhat constant in FY 06 and FY-07.

\$165,950,606 (2003 assessed valuation of livestock) x \$6.13 per hundred dollars (average state tax rate) = (\$10,172,772).

\$1,392,140 (2003 assessed valuation of grain) x \$6.13 per hundred dollars (average state tax rate) = (\$85,338.)

Total (loss) of revenue is (\$10,258,110).

Note: TAX used the statewide weighted average levy of \$6.13 per hundred dollars of assessed valuation. As most of the livestock and grain would be assessed in the rural areas of this state, the stateside tax rate may be a little high and the actual levy and revenue loss would be lower.

Officials from the **Office of the Cole County Assessor**, and the **Office of Administration, Division of Budget and Planning**, did not respond to our request for information.

**Oversight** assumes this proposal, if approved, would be submitted to the voters in November of 2004 (FY 2005) and additional legislation would be required to create the exemption. There would be a loss to the state Blind Pension Fund of approximately ½ of 1% of the loss to local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal. Small businesses involved in agriculture and agribusiness would be impacted by the legislation granting a tax exemption should this proposal pass and be approved by the voters.

DESCRIPTION

This proposal would submit to a vote of the people a constitutional amendment authorizing a statutory exemption from property taxation for livestock and grain.

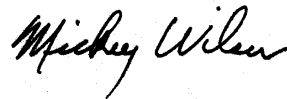
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of the Secretary of State  
State Tax Commission

NOT RESPONDING

**Office of the Cole County Assessor**  
**Office of Administration**  
**Division of Budget and Planning**



Mickey Wilson, CPA  
Director  
February 4, 2004